



**Federal Deposit Insurance Corporation**  
550 17th Street NW, Washington, D.C. 20429-9990

**Financial Institution Letter**  
**FIL-66-2008**  
**July 17, 2008**

## **MINORITY DEPOSITORY INSTITUTIONS**

### **Expanded Guidelines for Providing Technical Assistance to Minority Depository Institutions**

**Summary:** The Federal Deposit Insurance Corporation (FDIC) continues to pursue strategies to preserve and encourage minority ownership of FDIC-insured financial institutions, including providing technical assistance in operational areas. The FDIC has expanded its guidance on providing technical assistance to minority depository institution (MDI) management to enhance ongoing communication with and support of MDIs. The revised guidance is attached.

**Distribution:**

FDIC-Supervised Minority Depository Institutions  
(Commercial and Savings)

**Suggested Routing:**

Board of Directors  
Chief Executive Officer  
Compliance Officer

**Related Topics:**

FIL-34-2002, "FDIC Adopts Final Policy Statement on Minority Depository Institutions"

**Attachment:**

Guidance for Providing Technical Assistance to Minority Depository Institutions

**Contact:**

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**Note:**

FDIC financial institution letters (FILs) may be accessed from the FDIC's Web site at [www.fdic.gov/news/news/financial/2008/index.html](http://www.fdic.gov/news/news/financial/2008/index.html).

To receive FILs electronically, please visit <http://www.fdic.gov/about/subscriptions/fil.html>.

Paper copies of FDIC financial institution letters may be obtained via the FDIC's Public Information Center (1-877-275-3342 or 703-562-2200).

**Highlights:**

- Under established guidelines, the FDIC routinely contacts MDIs to offer return visits and technical assistance following examinations or visits to assist management in understanding and implementing examination recommendations.
- The FDIC has expanded these guidelines by clarifying the types of technical assistance that may be available to MDIs, and emphasizing that MDIs may ***initiate*** the contact with the FDIC for technical assistance ***at any time***.
- The focus of the technical assistance is to provide MDIs with recommendations or feedback for improving operations, not to identify new problems or issues.
- The offer of technical assistance is targeted to insured minority depository institutions in which 51 percent or more of the voting stock is owned by minority individuals (Black American, Asian American, Hispanic American or Native American), or the majority of the board of directors are minority individuals ***and*** the community served by the institution is predominantly minority-based.

## **Guidelines for Providing Technical Assistance to Minority Depository Institutions**

The Federal Deposit Insurance Corporation (FDIC) routinely contacts Minority Depository Institutions (MDIs) to offer return visits and technical assistance following the conclusion of each safety and soundness, compliance, Community Reinvestment Act, and specialty examination to assist management in understanding and implementing examination recommendations.

MDIs may also *initiate* contact with the FDIC to request technical assistance *at any time*. The FDIC can assist in reviewing and offering feedback and recommendations on a variety of matters, including the following:

- Proposed written policies for major operational areas, such as the lending, investment, and funds management functions;
- Proposed strategic plans;
- Proposed budgets;
- Proposed applications or notices for new branches and/or new activities; and
- Any other operational matters where MDI bank management would like FDIC input.

To request technical assistance, MDI management may contact the bank's assigned relationship manager, any of the FDIC's regional MDI coordinators (regardless of the MDI's geographic location) or other FDIC Division of Supervision and Consumer Protection regional management. A list of MDI coordinators can be found on the FDIC's website at <http://www.fdic.gov/regulations/resources/minority/contact.html>.

To assist the FDIC in effectively responding to the bank's request for assistance, the MDI should provide the following information:

- the name, location and point of contact for the bank;
- the specific areas of operations for which assistance is requested; and
- any other pertinent information relative to the request.

If specifically requested by MDI management, the FDIC will attempt to provide technical assistance by staff members who do not routinely participate in examinations of the bank.

The FDIC will try to fulfill all requests for technical assistance expeditiously and to provide recommendations for addressing the items of concern. However, MDIs should be aware that any final decisions regarding bank operations remain under the purview of the bank's senior

management and/or board of directors. Offers of technical assistance do not preclude or obviate requirements for an MDI to respond to the findings of a report of examination or visitation, written correspondence from the FDIC or other regulatory agencies, or ongoing adherence to the provisions of an outstanding formal or informal corrective action plan.

In addition to the areas discussed above, the FDIC will continue to provide assistance to MDI management in understanding matters such as bank regulations, FDIC policies, examination procedures, accounting practices and recruiting techniques.

The FDIC recognizes that MDIs play a unique role in promoting the economic viability of underserved communities. It will continue to pursue strategies to preserve and encourage minority ownership of insured financial institutions.